



From: The Private Secretary

Simon King
10 Downing Street
London
SW1A 2AA

31 JUL 2012

Dear Simon,

CHINESE VISITORS TO THE UK

Thank you for your letter of 8 June. I hope that we addressed the Prime Minister's questions on the visa service in the report provided to you by Philippa Rouse (UKBA Director of Visa Services) on 20 June. In this letter I will also address the issues raised in letters from the Secretary of State for Culture Media and Sport of 22 June and 10 July on the same topic.

The Home Secretary welcomes the initiative to increase Chinese visitors to the UK to 500,000 per annum by 2015 and she has asked her officials to work closely with DCMS and others on this aim.

Key improvements to the visa service

The Home Secretary is clear that legitimate travellers to the UK can expect a streamlined and simple visa process. Both Sebastian Wood and DCMS have made suggestions on form length, document requirements and fast track services. The common perception that we require more documents than Schengen is not correct and for several years we have been accepting photocopy documents rather than originals for some ADS tour agents (something which Schengen countries do not do). We will now expand accepting photocopies to all agents. We are also working on a shorter application form for ADS applicants which we plan to launch in the autumn. We already offer a longer visa validity period than for Schengen visitors with optional 2, 5 and 10 year visit visas.

DCMS and Mr Wood indicated the turn around time for a visa is critical - and we launched a priority service for ADS applicants this year, providing a 5 day return.

We have also increased our staffing by 150 people this summer in China so most applicants are enjoying this high level of service anyway. This puts us far ahead of competitors, currently in Shanghai a UK visa appointment is available next day, and over 90% of visit applications are returned in under 5 days. By comparison there is currently a 4 week wait just for an appointment to submit a visit application to visit France (followed by up to 15 days to process the visa), for America the wait for an appointment is 3 weeks.

So we are already doing much of what Mr Wood and DCMS propose, and are providing a service far quicker than our competitors. Despite this, visit demand this summer is down on last year because of the Olympics, highlighting how insignificant the visa process is compared to price and availability of flights and hotels.

Closer working with Schengen

The hypothesis that because the UK is outside the Schengen visa, we have to work harder to attract Chinese visitors is weak and based on anecdotal evidence. Indeed the hard evidence shows the opposite. For every four Chinese people applying for a visit visa to any of the 20+ Schengen countries, one person purchases a visit visa to go to the UK. Visit visas issued to Chinese nationals are up by 80% in 2 years. The number of tourists coming through the Approved Destination Scheme is up by 164% over the same period. And VisitBritain research shows that not being part of the Schengen visa is not a major concern of applicants.

The proposal that we offer an automatic grant of a free UK ADS visa to Chinese holders of a Schengen ADS visa is not acceptable to the Home Secretary for national security reasons. We have real evidence that the Schengen process around ADS agents does not match the UK's scrutiny and decision quality or apply the same risk assessments. At Cabinet the issue of asylum claims was discussed (over 1000 from Chinese nationals in 2011/12). Even where an asylum applicant has travelled from Europe on a Schengen visa (and they have not disposed of their travel document), there are resource and cost implications of removing them back to Europe. We also face significant challenges with Foreign National Offenders (almost 400 Chinese going through the deportation process at present) and organised crime (including drugs, money laundering, fraud, criminal finances, intellectual property, immigration and cyber crime). Our visa regime is a key tool in supporting our agenda to protect the public against these significant harms. A Schengen "bolt on" of this type would also disadvantage the 200,000 visitors who already chose to come to the UK first and many of whom travel on to Europe.

However, as the Home Secretary outlined at Cabinet on 3 July, the UK Border Agency plans to work with our European partners in Beijing to understand the feasibility of providing a service which feels more aligned to and joined up with Schengen for tourist groups, whilst still running our full process.

Cost of a visa to Chinese ADS applicants

Research shows that the cost of the visa is not a barrier. Further we have sought to minimise increases to the fee for short-term visit visas. The fee is still only about half the actual cost to the UK Border Agency of processing the application. Offering a UK visa at no cost to holders of Schengen visit visas would result in a lost income stream and require HMT agreement.

Statistics

We very much welcome the improved engagement with DCMS and VisitBritain on the issue of visas and statistics. However, I am disappointed that there is still some use of selective statistics. The VisitBritain research showed that 61% of those surveyed who chose not to apply for a visa did so because they thought it would be difficult to get a visa. However the experience was the opposite for those who did go through the visa application process with 58% of them finding the process very easy or fairly easy and only 12% finding the process fairly difficult, signalling that it is perception rather than the process which puts people off. In asking those surveyed what features they would like to see to in our visa process, a joint visa with Schengen came bottom in the list of improvements for those that got a visa and in the bottom third for those who chose not to apply for a visa.

UKBA and officials from other departments have reviewed the visitor and visa data for the UK and Schengen with the Home Office Chief Scientific Advisor and concluded that the best data to use for comparative purposes is visa issued data. Although not perfect (as not all visas will be used and most visit visas issued are multi entry) it appears to be the only measure which is counted in the same way as other countries and therefore is the only comparison which we can make with confidence. On this visas issued measure the UK compares favourably to France, Germany and Italy.

Marketing strategy

The Home Secretary welcomes a marketing strategy for attracting more Chinese tourists and we will actively support these aims whilst continuing to ensure secure border controls. Following on from the NSC discussion on visas on 25 July, Home Office officials are working with FCO on a joint publicity and advertising campaign, across the 29 'Emerging Powers', to tackle negative perceptions about our visa services and to highlight what is on offer.

In the UK we have had positive discussions with a range of influential tourist and travel representatives who have been vocal about visas including New West End Company, Walpole, the World Trade and Tourism Council and the European Travel

Operator Association. A number of these organisations (and others) are keen to work with us constructively on ideas for the future of the visa service which could also help to inform a marketing strategy. In China we have regular discussions with ADS agents and other customers, the most recent findings are outlined in the attached report.

However, if we are to increase our share of the tourist market (compared to Europe) we need to look far wider than visas. Research shows that there are multiple factors that might influence a decision to travel to the UK – visas are just one and not the main influencer. I note with interest the approach to marketing Britain's tourism potential in China. VisitBritain research shows that Chinese nationals rate "scenic natural beauty" as the most important attribute for choosing a holiday destination but rank Britain as 10th for this attribute compared to other countries. The same research shows that only 28% of Chinese who visit the UK are extremely likely to recommend the UK afterwards (compared to 39% on average for all tourists). It is these types of perceptions before visiting the UK and experiences in the UK that need urgent attention if we are to achieve the goal of 500,000 tourists.

I am copying this letter to Siobhan Jones (DPMO), Katherine Dixon (FCO) and Paul Oldfield (DCMS).

Yours sincerely

Katharine Hammond

Katharine Hammond
Principal Private Secretary to the Home Secretary